

Message Text

LIMITED OFFICIAL USE

PAGE 01 EC BRU 01295 061855Z

45

ACTION EUR-12

INFO OCT-01 IO-11 ISO-00 EURE-00 AID-05 CEA-01 CIAE-00

COME-00 EB-07 EA-07 FRB-03 INR-07 NEA-10 NSAE-00

OPIC-03 SP-02 TRSE-00 CIEP-01 LAB-04 SIL-01 OMB-01

L-03 ITC-01 AGR-05 OIC-02 STR-04 /091 W

----- 090722

P R 061758Z FEB 76

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC PRIORITY 471

INFO ALL EC CAPITALS 1643

USMISSION USUN NEW YORK

LIMITED OFFICIAL USE EC BRUSSELS 1295

E.O. 11652: N/A

TAGS: EIND, ETRD, OECD, CIEC, EEC

SUBJECT: EC PREPARATIONS FOR THE CIEC RAW MATERIALS COM-
MISSION AND OECD HIGH-LEVEL GROUP ON COMMODITIES

REF: (A) EC BRUSSELS 1098, (B) EC BRUSSELS 1061, (C) EC
BRUSSELS 1017, (D) EC BRUSSELS 619

1. BEGIN SUMMARY: DURING MEETINGS IN BRUSSELS THIS WEEK
THE EC AGREED ON AN OPENING TOPIC TO KICK OFF THE RAW MATERIALS
DIALOGUE AND ON A LIST OF AGENDA TOPICS TO BE HELD IN RESERVE
AND PRESENTED IF NECESSARY DURING THE MEETINGS. THE EC WILL
TRY TO AVOID CONFRONTATION, LIMIT EARLY DISCUSSION TO GENERAL
SUBJECTS RATHER THAN PROBLEMS OF SPECIFIC COMMODITIES, AND
TRY TO AVOID GETTING INTO HARD ISSUES SUCH AS INDEXATION.
THE EC SPOKESMAN WILL SPEAK FOR THE EC IN THE OECD. THERE
IS SOME DIFFERENCE OF OPINION WHETHER OR NOT MEMBER STATES
MAY SPEAK ON AN ISSUE WHERE THERE IS NO EC AGREEMENT. END SUM-
MARY.

2. CONTACTS IN THE EUROPEAN COMMISSION AND PERMREPS TELL
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 EC BRU 01295 061855Z

US THAT THE EC WILL BE ENTERING THE CIEC COMMISSION ON RAW

MATERIALS (CORM) WITH A VERY FLEXIBLE APPROACH TO THE ORGANIZATION OF THE AGENDA. THE EC HAS DEVELOPED A LIST OF TOPICS, INTENDED TO BE NEUTRAL IN THEIR FORMULATION, WHICH COULD BE LAID ON THE TABLE, AS APPROPRIATE, IN THE COURSE OF DISCUSSIONS. IT WILL NOT, RPT NOT, PRESENT AN EC LIST AT THE BEGINNING OF THE DIALOGUE. TO GET THINGS STARTED THE EC, IF NECESSARY, WOULD PROPOSE TO OPEN CORM BY AN "EXAMINATION OF THE MARKET SITUATIONS AND STRUCTURES" FOR RAW MATERIALS. THIS WOULD CALL FOR A GENERAL BUT SUBSTANTIVE DISCUSSION. THE LIST OF OTHER TOPICS, WHICH ARE NOT IN A PRIORITY ORDER, ARE: FORA FOR DISCUSSION BETWEEN PRODUCER AND CONSUMER COUNTRIES; INFORMATION AND CONSULTATION; IMPROVEMENT OF MARKET STRUCTURES; STABILIZATION OF EXPORT EARNINGS; ACCESS TO MARKETS AND RESOURCES; INDUSTRIAL COOPERATION. AGREEMENT HAS NOT BEEN REACHED ON THE FOLLOWING TOPICS: PROBLEMS ENCOUNTERED BY IMPORTER DEVELOPING COUNTRIES; SUBSTITUTE PRODUCTS; EXPLOITATION OF RESOURCES FROM THE OCEANS.

3. THE EC, AT THE FIRST MEETING, WILL NOT BE PREPARED TO TAKE STANDS ON ISSUES, EXCEPT TO SAY THAT THEY WILL REVIEW THEM IN THE CORM. THE EC WANTS THE DIALOGUE TO GET OFF TO A GOOD START AND THEREFORE BELIEVES THAT CONTROVERSIAL SUBJECTS SUCH AS INDEXATION, A COMMON FUND, AND THE UNCTAD "INTEGRATED PROGRAM" SHOULD NOT BE TAKEN UP AT THE BEGINNING OF THE DIALOGUE. THE EC WILL ALSO MAKE EVERY EFFORT TO PREVENT THE FORMULATION OF ISSUES IN A WAY WHICH PRE-SUPPOSES THEIR OUTCOME.

4. WE UNDERSTAND THAT AT THE COMMITTEE OF PERMANENT REPRESENTATIVES (COREPER) MEETING ON FEBRUARY 5 THERE WAS MEMBER STATE HESITATION ABOUT HOW TO HANDLE THE COMMISSION'S CONCEPT OF A "GLOBAL APPROACH TO COMMODITY PROBLEMS" (SEE REFTEL A). ALTHOUGH THERE IS GENERAL AGREEMENT THAT THE EC MUST PRESENT A COHERENT APPROACH AS AN ALTERNATIVE TO THE "INTEGRATED PROGRAM" SOME MEMBER STATES HAVE CONCEPTUAL PROBLEMS WITH THE COMMISSION'S PROPOSAL. THEY SEE THE EC GLOBAL PROGRAM GOING BEYOND COMMODITY ISSUES, I.E., INDUSTRIAL COOPERATION, ACCESS TO MARKETS FOR LDC PRODUCTS, GENERALIZED PREFERENCES, ETC., AND ARGUE THAT COMMODITIES ARE ONLY ONE PART OF A GLOBAL PROGRAM. THE COMMISSION IS TO PRESENT THE COUNCIL IN TWO WEEKS WITH A NEW PAPER ELABORATING ON THE ONE REPORTED ON IN REFTEL LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 EC BRU 01295 061855Z

A. ALTHOUGH THE MEMBER STATES AGREED DURING MEETINGS THIS WEEK TO EXAMINE THE 17 COMMODITIES ON THE UNCTAD LIST AND COMPLETE THE EXAMINATION WITHIN A YEAR, (SEE REFTEL A) NO DECISION WAS MADE ON HOW OR WHEN TO USE THIS "GESTURE" OR WHETHER IT SHOULD BE MADE IN THE DIALOGUE OR AT UNCTAD. THE COMMISSION IS TO STUDY THE 17 COMMODITIES AND COME UP WITH IDEAS ON THEIR PROBLEMS AND POSSIBLE SOLUTIONS. (THE BRITISH, MORE THAN MOST, CONSIDER UNCTAD IV VERY IMPORTANT, WOULD LIKE

IT TO BE A SUCCESS AND THINK AN IMPORTANT AGREEMENT ON COMMODITIES SHOULD BE REACHED. THEY FEAR THAT IF IF (UNCTAD IV) GOES SOUR, THE DIALOGUE WILL FAIL.)

5. ONE CONTACT TOLD US THAT THE FRENCH SEEM TO HAVE REVERSED THEIR STRONG POSITION IN FAVOR OF COMMODITY AGREEMENTS. HE SAID THE FRENCH FINANCE MINISTRY HAS TAKEN OVER IN PARIS AND IS UNHAPPY ABOUT FRENCH AGREEMENT IN BRUSSELS TO STUDY ALL 17 UNCTAD LIST COMMODITIES. THE FINANCE MINISTRY IS CONCERNED ABOUT THE COSTS OF SUPPORTING TOO MANY COMMODITY AGREEMENTS.

6. A COMMISSION OFFICIAL EMPHASIZED THAT ALTHOUGH THE EC HAS AGREED TO LOOK AT THE 17 COMMODITIES AT SOME POINT, IT CERTAINLY DOES NOT INTEND TO SUPPORT ARTIFICIAL MARKETS WITH MANIPULATED PRICES. ANOTHER CONTACT SAID THE EC IS AS CONCERNED AS WE ARE ABOUT SECURITY OF SUPPLY AND AN APPROPRIATE CLIMATE FOR INVESTMENT IN RAW MATERIALS, BUT BELIEVES THESE ISSUES MUST BE HANDLED CAREFULLY BECAUSE OF THE SENSITIVITY OF THE GROUP OF 19.

7. REGARDING THE OECD HIGH-LEVEL GROUP ON COMMODITIES (HLGC) MEETING ON FEBRUARY 9, WE UNDERSTAND THAT AT THE COREPER MEETING ON FEBRUARY 5 IT WAS DECIDED THAT THE EC WOULD SPEAK WITH ONE VOICE IN ALL OF THE OECD MEETINGS CONCERNED WITH THE DIALOGUE. THE EC FOREIGN MINISTERS' COUNCIL IS EXPECTED TO APPROVE THIS DECISION AT ITS MEETING ON FEBRUARY 9. IT WAS AGREED IN COREPER THAT AT THE OECD MEETINGS THE EC SPOKESMEN WOULD SPEAK FOR THE EC AND PRESENT THE EC POSITION IF THERE WAS ONE. MEMBER STATE REPRESENTATIVES COULD ELABORATE ON THE EC POSITION. IF THERE WAS NO EC POSITION, THE EC SPOKESMEN WOULD SAY SO AND, ACCORDING TO A COMMISSION OFFICIAL, IN SUCH CASES THE MEMBER STATES COULD LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 EC BRU 01295 061855Z

NOT SPEAK. HOWEVER, A PERMREP CONTACT FELT THAT THERE HAD BEEN NO COREPER AGREEMENT ON SUCH A GAG RULE. HE INTERPRETED THE DISCUSSION AS CONCLUDING THAT WHERE THERE WAS NO EC POSITION MEMBER STATES COULD SPEAK OUT SO LONG AS THEY DID NOT EXPRESS DIVERGENT VIEWS. MORRIS

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: RAW MATERIALS, COMMODITIES, PLANNING MEETINGS, ECONOMIC PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 06 FEB 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976ECBRU01295
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: UPGRADED PER MEMO P830015-0270
Executive Order: R9 19871006 MCMANAWAY, C E
Errors: N/A
Film Number: P830015-0298, D760046-0481
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760275/aaaacocb.tel
Line Count: 159
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: UNCLASSIFIED
Original Previous Handling Restrictions: LOU
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: UNCLASSIFIED; CONFIDENTIAL
Previous Handling Restrictions: LOU
Reference: 76 EC BRUSSELS 1098, 76 EC BRUSSELS 1061, 76 EC BRUSSELS 1017, 76 EC BRUSSELS 619
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 24 MAR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <24 MAR 2004 by ElyME>; APPROVED <03 AUG 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EC PREPARATIONS FOR THE CIEC RAW MATERIALS COMMISSION AND OECD HIGH-LEVEL GROUP ON COMMODITIES
TAGS: EIND, ETRD, OECD, EEC, CIEC
To: STATE EC CAPITALS USUN NEW YORK
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006